Volunteer Quality Alert 2005-06 – TOP 3 E-FILE REJECTS

Use this document as a job aid when assisting taxpayers.

Focusing on the Details!

The Name Game

Many children who qualify the taxpayer for the Earned Income Credit or as dependents have names that are different from their parent or guardian. Name and year of birth mismatches are two of the common causes of electronic filing rejects.   The reject codes listed below describe the problems:

- **501 -** Qualifying SSN on Schedule EIC and the corresponding Year of Birth must match data received from the Social Security Administration. Qualifying SSN of Schedule EIC and the corresponding Qualifying Child Name Control must match data from the IRS Master File.

- **504 -** Dependent's SSN on Form 1040/1040A and corresponding Dependent Name Control must match data from the IRS Master File.

To avoid these problems, verify for each qualifying person:

- **Dependent's last name has been entered correctly into Main Information screen**. (If no last name is entered for the dependent, Tax Wise will default to the last name of the first taxpayer listed on the return.)

- **Qualifying child's year of birth has been correctly entered on the Main Information screen and the Schedule EIC**

If the taxpayer does not have a copy of the Social Security card or is unsure of the information, have the taxpayer contact SSA at 1-800-772-1213 and verify the qualifying child's name, social security number, and date of birth.

Employer Identification Information

Another common error in E-File is mis-keying information from the Forms W-2 and 1099 into the software. If the information on the Forms W-2 or 1099-R is unclear, have the taxpayer contact the employer/payer to verify the information.

- **502 -** Employer Identification Number of Form W-2 and Payer Identification Number of Form 1099-R must match data from the IRS Master File.

To avoid this problem, double check that the Employer's Identification number, name, address, and zip code have been correctly entered into the tax preparation software.